

SCRAP METAL DEALERS ACT 2013

Cabinet Member	Cllr Jonathan Bianco
Cabinet Portfolio	Finance, Property and Business Services
Officer Contacts	Stephanie Waterford, Residents Services Tim Brown, Administration Directorate
Papers with report	Appendix 1 – Guidance Document Appendix 2 – Fees Schedule

1. HEADLINE INFORMATION

Summary	To update the Cabinet on the implementation of the Scrap Metal Dealers Act 2013 and for the Cabinet to approve the necessary guidance and fee schedule.
Contribution to our plans and strategies	A Safer Borough
Financial Cost	Income from proposed fees should cover direct implementation costs.
Relevant Policy Overview Committee	Residents' & Environmental Services
Ward(s) affected	All

2. RECOMMENDATIONS

That Cabinet:

- 1. Approves the attached scrap metal dealers guidance, in Appendix 1;**
- 2. Approves the attached schedule of fees in respect of scrap metal dealers licences, set out in Appendix 2 and;**
- 3. Requests that the Chairman of the Executive Scrutiny Committee waives the scrutiny call-in on the recommendations to ensure the swift implementation of the guidance and fees before the commencement of the Act.**

Reasons for recommendation

1. The adoption of a clear and concise guidance document will enable the Authority to implement and administer the requirements of the Act consistently. Applicants and

Members of the public will also be able to refer to the document for information on the licensing system.

2. The Council is required to charge fees for administering and issuing licences but there are no nationally set fees under the Scrap Metal Dealers Act 2013. Instead, the legislation requires that fees are set locally by local authorities.
3. The legislation comes into force on 1st December 2013 and by waiving the scrutiny call-in period, the decision would take immediate effect, giving officers more time in which to make applicants aware of the new fees prior to the Act coming into force.

Alternative options considered / risk management

None, as this is a statutory requirement.

Policy Overview Committee comments

None at this stage.

3. INFORMATION

Supporting Information

Background

- 3.1 The Scrap Metal Dealers Act 2013 received Royal Assent on 28 February 2013 and its measures come into effect fully on 1st December 2013.
- 3.2. The Act was introduced in response to the growth in metal thefts, driven by increased metal values, which in addition to the direct impact on the victims of theft have also had a damaging and disruptive effect on infrastructure. In Hillingdon, churches and public amenities have been attacked, leading to calls for improved regulation by the government. The current regulation of the scrap metal industry consists of a simple registration scheme which has done little to prevent scrap metal related crime.
- 3.3 Under the new legislation, local authorities remain the principal regulators but a new licensing regime provides powers to refuse to grant licences to "unsuitable" applicants and a power to revoke licenses if the dealer becomes unsuitable. Cashless trading measures brought in by the Legal Aid, Sentencing & Punishment of Offenders Act 2012 are incorporated into the new Act, which also draws vehicle dismantlers and former itinerant collectors into the cashless trading regime. Other changes include a national register and a requirement for scrap metal dealers to verify the full names and addresses of sellers.
- 3.4 A guidance document outlining the Council's powers and responsibilities under the Scrap Metal Dealers Act 2013 is attached at Appendix 1.

Applications, Fees & Licences

- 3.5 When determining licence applications, the suitability of the applicant will be assessed. They will be required to complete an application form and also provide details of any criminal history.

- 3.6 Every scrap metal dealer will be required to have a licence under the new Act and operating without one will be a criminal offence. Licences last for three years. There are two different types of licences, the site licence and the collector's licence.
- 3.7 The Act requires that an application for a licence must be accompanied by a fee. Officers have benchmarked with other London Boroughs and calculated the costs associated with the processing of the applications. From this information, officers have developed proposals for the application fees. (Appendix 2).
- 3.8 Councils are also given powers of entry and inspection under the new legislation, which will aid effective enforcement.

Financial Implications

- 3.9 The report relates to a new statutory duty that has been enacted requiring the Council to licence collection and trading in scrap metal. Under the legislation, the Council is empowered to charge fees for the issuing of various types of licence connected with this trade. Proposed fee levels are recommended in the Schedule at Appendix 2, for which under the Council's Constitution, Cabinet is the decision-making body. As these fees are for statutory licences that only the Council can issue they are outside the scope of VAT.
- 3.91 The fees have been set with reference to the full staffing costs of processing licences within Residents Services and the Administration Directorate. They do not include general overheads such as income collection costs, ICT and accommodation. However, benchmarking of the proposed fees against fees set by other local authorities shows that they are no lower than the average fees set elsewhere.
- 3.92 From December 2013 there will be a workload peak arising from processing of initial licences under the legislation, which is anticipated to generate income from fees of around £18k in the 13/14 financial year. In following years, the income stream will reduce as renewals are only normally required after three years. The resources necessary for processing of licences during this period will be met from within existing arrangements. Fees will be reviewed on an annual basis thereafter.

4. EFFECT ON RESIDENTS, SERVICE USERS & COMMUNITIES

- 4.1 Applicants, licence holders and residents will benefit from the guidance as it clearly sets out the Council's powers and responsibilities under the Act. This includes guidance on the issue, review and enforcement of licences and also the arrangements that the Council intends to put in place to ensure compliance with the legislative requirements.
- 4.2 The legislation requires councils to set licence fees. The fees are based on the anticipated cost of processing the licence applications. Fees will be reviewed periodically to ensure that the cost of administering the licensing scheme is recovered.

Consultation Carried Out or Required

None required

5. CORPORATE IMPLICATIONS

Corporate Finance

- 5.1 Corporate Finance has reviewed this report and concurs with the financial implications set out above, noting that the proposed level of fees and charges are consistent with those authorities who have already implemented the Scrap Metal Dealers Act 2013. The current recommendations set fees and charges at a level to recover direct costs, although the option remains to seek to recover an element of overhead costs through this charging mechanism.

Legal

- 5.2 The Council's power to undertake its duties in regulating the scrap metal dealing industry within the Borough is derived from the Scrap Metal Dealers Act 2013 which prescribes new administrative, regulatory and enforcement powers to local authorities. On 7 November 2013, Full Council approved changes to the constitution to amend the terms of references of both the Licensing Committee and the Deputy Chief Executive and Corporate Director of Residents Services to incorporate and allow implementation of the Scrap Metal Dealers Act 2013.
- 5.3 The guidance, subject of recommendation 1 of this report, represents a non-statutory procedure document, which was noted by Full Council on 7 November 2013 and which is now being presented to Cabinet for approval.
- 5.4 The guidance used by the Council in discharging its duties must be consistent with the Scrap Metal Dealers Act 2013, secondary legislation and published guidance.
- 5.5 As per Article 7.08(c) of the Constitution, the setting of Council fees, the subject of recommendation 2 of this report, is a delegated function of the Cabinet. The legislation requires the Council to charge a fee for issuing licences. Government guidance on fees, in line with the EU Services Directive states that a licence fee can only be used to pay for the cost associated with the licensing process. The Council must monitor the level of the licence fees regularly to ensure that they remain appropriate.

6. BACKGROUND PAPERS

NIL